



Federal Communications Commission  
Consumer & Governmental Affairs Bureau  
Washington, D.C. 20554

**CGB**

JAN 18 2005

Control No. 0500015

The Honorable Ike Skelton  
U.S. House of Representatives  
1401 Southwest Boulevard, Suite 101  
Jefferson City, MO 65109

DOCKET FILE COPY ORIGINAL

02-278

Dear Congressman Skelton:

Thank you for your letter on behalf of your constituent, Mr. Joey Leydens, regarding the Commission's recent amendments to its rules implementing the Telephone Consumer Protection Act of 1991 (TCPA). Mr. Leydens, who is a member of ACA International (ACA), the national association of credit and collection professionals, explains that, in his view, the TCPA rules conflict with the Fair Debt Collection Practices Act (FDCPA), resulting in confusion and workability issues for his business. He seeks your assistance in contacting the FCC regarding a petition filed by ACA to resolve this apparent conflict.

The TCPA was enacted to address certain telemarketing practices, which Congress found to be an invasion of consumer privacy and even a risk to public safety. The TCPA specifically prohibits calls using an autodialer or prerecorded message to certain numbers, including wireless telephone numbers. In addition, the TCPA directs the Commission to adopt rules requiring all prerecorded messages to identify the business, individual or entity initiating the call and the telephone number or address of such entity.

On July 3, 2003, the Commission released a *Report and Order* in CG Docket No. 02-278, which adopted rules establishing a national do-not-call registry and other amendments to its telemarketing and facsimile advertising rules. Following the release of the *Report and Order*, the Commission received over 60 petitions for reconsideration and/or clarification of the amended rules, including ACA's petition. ACA seeks clarification that the Commission's rules do not apply to debt collectors, given the apparent conflict with the FDCPA. These petitions are currently under review by the Commission, and we expect to address them soon. Therefore, we have placed a copy of your correspondence in the public record for this proceeding.

We appreciate the importance of these issues for ACA and its members. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

K. Dane Snowden

Chief

Consumer & Governmental Affairs Bureau

JAN-04-2005 08:52  
FIRE SQUAD  
4TH DISTRICT, MISSOURI

2206 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-2504  
TELEPHONE: (202) 225-2876  
website: www.house.gov/skelton

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-2504**

P. 02  
514-B N.W. SEVEN HIGHWAY  
BLUE SPRINGS, MO 64014-3733  
(816) 226-4242  
  
1401 SOUTHWEST BLVD., SUITE 101  
JEFFERSON CITY, MO 65109-2429  
(573) 635-3499  
  
218 NORTH ADAMS STREET  
LEBANON, MO 65436-3000  
(417) 532-7984  
  
508 THOMPSON BLVD.  
SEDALIA, MO 65301-4583  
(660) 828-2675

January 4, 2005

**RE: LEYDENS, Joey**  
**Tax I.D. # 43-0954106**

10  
**Director**  
**Federal Communications Commission**  
**Office of Legislative Affairs**  
**445 12th St., SW, Rm. 8-C453**  
**Washington, DC 20554**

✓ **Faxed 202-418-2806**  
**202-418-1900**  
**Attn: Congressional Unit**

The attached communication is submitted for your consideration, and to ask that the request made therein be complied with, if possible.

If you will advise me of your action in this matter and have the letter returned to me with your reply, I will appreciate it.

**(\*See attached.**

**Please address reply to:**

→ **Congressman Ike Skelton, 4th District**  
**1401 Southwest Blvd., Ste. 101**  
**Jefferson City, MO 65109**

**cs (573) 635-3499**  
**fax 573-635-8545**

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PRINT TIME JAN. 4. 10:35AM

DEC 27 2004

JAN - 3 2005

Subject Desc: Small Business

Small Business

Date Received: 11/22/2004 5:05:49 PM

JOEY LEYDENS  
711 WEST MCCARTY  
JEFFERSON CITY, MO 65101

November 22, 2004

The Honorable Ike Skelton  
House of Representatives  
2206 Rayburn House Office Building  
Washington, DC 20515-2504

Dear Mr. Skelton:

I am constituent and a professional in the credit and collection industry. I am a member of ACA International (ACA), the national association of credit and collection professionals. On August 25, 2003, ACA filed a formal petition with the Federal Communications Commission (FCC) regarding the unintended workability issues hampering legitimate debt collection activity caused by the Commission's 2003 modifications to the Telephone Consumer Protection Act (TCPA) regulations. Although the ACA petition is considered non-controversial, the FCC has not acted.

I am writing to request your immediate assistance in contacting the FCC on behalf of my local company and the thousands of other credit and collection industry members in support of the ACA International petition.

#### Background

On July 25, 2003, the FCC promulgated regulations pursuant to the TCPA which, among other requirements, stipulate that when a company uses a pre-recorded message to communicate with consumers, the pre-recorded message must identify the name of the company as registered with state authorities. Also in the final TCPA regulations, the FCC, in its attempt to regulate telemarketing sales calls, has prohibited the use of an autodialer and/or pre-recorded message to place a call to persons on a wireless phone, without prior express permission.

Both of these regulations pose unintentional, but nevertheless, gravely serious compliance issues for the credit and collection industry. ACA

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International understands the FCC's intent to curb unwanted telemarketing calls, but the Commission's efforts have negatively impacted the business of lawful and ethical debt collection.

#### **Workability Issues**

**Issue I:** The new TCPA regulatory requirement that a company must transmit its registered name at the beginning of pre-recorded message potentially would trigger liability under the third-party disclosure prohibition of the Fair Debt Collection Practices Act (FDCPA). The FDCPA is the primary federal law governing the credit and collection industry. The FDCPA prohibits collection agencies, when communicating with consumers, from disclosing the existence of a debt to a third-party without proper authorization. Such disclosure would occur if someone, other than the intended recipient, listens to the pre-recorded message.

Debt collection agencies having names that suggest they are in the business of collecting debt, for example, "ABC Collections, Inc." or "ABC Recoveries, Inc.," cannot comply with this TCPA regulation without simultaneously violating the FDCPA. The FCC's requirement that a debt collector convey its registered name at the beginning of a pre-recorded message could easily expose the collector to liability under the disclosure prohibitions of the FDCPA.

**Issue II:** The new TCPA regulations are intended to restrict the use of autodialers and pre-recorded message technologies by telemarketers. Debt collectors are not telemarketers. The Federal Trade Commission (FTC), the primary federal agency regulating the credit and collection industry, has already determined that debt collection calls do not constitute "telemarketing." However, the FCC rule contradicts what the FTC has already resolved - that debt collectors are not "telemarketers" within the meaning of the TCPA. It was Congress' intent that the FTC and the FCC should promulgate consistent rules. Therefore, by following the FTC's lead, the FCC should similarly determine debt collection calls do not constitute telemarketing and exempt such calls from the TCPA regulations.

As part of the FCC's intent behind the limitation on telemarketers' use of autodialers and pre-recorded messaging is that consumers do not expressly consent to receiving calls to wireless numbers. Collectors, however are not telemarketers and do not telephone consumers to sell or market goods or services. Rather, they contact consumers for the primary purpose of completing a transaction from which consumers already have obtained a benefit, but have not fully paid. Consumers arguably give their implicit consent to be contacted for legitimate collection purposes when they enter into an agreement for goods or services. Telephone calls to a wireless or wireline number which are initiated for the purpose of collecting a

debt should not be subject to the TCPA's autodialer or pre-recorded message restrictions and the doctrine of implied consent should be recognized by the Commission.

The debt collection market generates approximately \$13 billion in revenues for United States companies. Credit and collection companies use sophisticated technologies such as autodialers and pre-recorded messaging to efficiently collect on this massive amount of outstanding debt. The revised TCPA regulations unfairly restrict market forces by limiting the use of technology for legitimate collection purposes.

The credit and collection industry needs relief from the compliance predicament resulting from the TCPA rule modifications. As it stands today, collection agencies face a conflict that forces them to violate the primary federal law governing the industry (Fair Debt Collection Practices Act - FDCPA) in order to comply with the FCC's TCPA regulations. Clearly, the FCC did not intend to create this workability issue, but has yet to act to resolve its effect. Thousands of credit and collection companies are held hostage by the inconsistent requirements found in the FDCPA and the TCPA regulations.

I am requesting that you contact the FCC on my behalf and ask for a resolution to the workability issues caused by the TCPA modifications. This is a major operations obstacle for my business. Your help would be greatly appreciated.

Thank you and I look forward to working with you!

Sincerely,

x Joey Leyden  
Signature

43-0954106

TAX ID#

JAN-04-2005 08:53

IKE SKELTON  
4TH DISTRICT, MISSOURI

2206 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-2504  
TELEPHONE: (202) 225-2878  
website: www.house.gov/skelton

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-2504**

December 28, 2004

P.06

JAN - 3 2005

514-B N.W. SEVEN HIGHWAY  
BLUE SPRINGS, MO 64014-2733  
(816) 228-4242

1401 SOUTHWEST BLVD., SUITE 101  
JEFFERSON CITY, MO 65108-2429  
(573) 638-3499

218 NORTH ADAMS STREET  
LEBANON, MO 65436-3000  
(417) 532-7964

908 THOMPSON BLVD.  
SEDALIA, MO 65301-4580  
(660) 828-2875

*copy*

Mr. Joey Leydens  
711 West McCarty  
Jefferson City, MO 65101

Dear Mr. Leydens:

Thank you for contacting me with your support for the ACA International petition.  
I would be most happy to make inquiry on your behalf with the FCC; however, I would  
first need your written consent due to the Privacy Act.

Please sign and return your letter to my Jefferson City District Office  
(Attn: Carol) at 1401 Southwest Blvd., Ste. 101, Jefferson City, MO 65109. Upon  
receipt of your signed letter, I will proceed to make the appropriate inquiry.

Yours very truly,



IKE SKELTON  
Member of Congress

IS:cs

Enclosure

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